



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE  
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8<sup>th</sup> Floor  
NASHVILLE, TENNESSEE 37243-0057  
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**Sen. Bill Ketron, Chairman**

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Brian Kelsey                      Ken Yager  
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Randy McNally, *ex officio*  
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Charles Sargent, *ex officio*  
Speaker Beth Harwell, *ex officio*

**M E M O R A N D U M**

TO:                      The Honorable Mark Emkes, Commissioner  
                            Department of Finance and Administration

FROM:                      Bill Ketron, Chairman, Fiscal Review Committee  
                            Curtis Johnson, Vice-Chairman, Fiscal Review Committee

DATE:                      December 5, 2011

SUBJECT:                      **CORRECTED Contract Comments**  
                            (Fiscal Review Committee Meeting 10/19/11)

**RFS# 318.65-00601 (Edison # 2893)**

**Department: Finance & Administration/Health Care Finance & Adm.**

**Vendor: Policy Studies, Inc.**

**Summary: The vendor currently provides eligibility determination, application processing, and beneficiary services for the CoverKids program. The proposed amendment adds rates for CY12 &13; extends the contract two additional years through December 31, 2013; and increases maximum liability by \$9,337,500.**

**Current maximum liability: \$19,250,000**

**Maximum liability w/amendment: \$28,587,500**

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment with the stipulation that the contract is extended for one year and the increase in maximum liability is reduced to \$4,712,500 resulting in a total maximum liability of \$23,962,500.

cc: The Honorable Darin Gordon, Deputy Commissioner  
Ms. Jessica Robertson, Chief Procurement Officer  
Mr. Robert Barlow, Director, Office of Contracts Review